

Message Text

UNCLASSIFIED

PAGE 01 COLOMB 01592 090525Z POSS DUPE
ACTION NEA-10

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PA-02 USIA-15 PRS-01 SP-02 L-03 /041 W
-----090639Z 090755 /15
R 090430Z MAY 77
FM AMEMBASSY COLOMBO
TO SECSTATE WASHDC 7247

UNCLAS COLOMBO 1592

E.O. 11652: N/A
TAGS: PINT, CE

SUBJ: OPPOSITION LEADER MENTIONED IN EXCHANGE FRAUD CASE

REF: COLOMBO 1008

1. SUMMARY: A JAPANESE WITNESS IN A FOREIGN EXCHANGE FRAUD CASE (REFTEL) HAS ALLEGED THAT HE PURCHASED AIRLINE TICKETS FOR J. R. JAYEWARDEN, ZMN LEADER OF THE UNITED NATIONAL PARTY, AND HIS WIFE, AT THE REQUEST OF A GOVERNMENT CORPORATION HEAD. THE WITNESS REPORTED NO CONTACT WITH J.O. HIMSELF BUT

SAID HE DID MEET J.R.'S NEPHEW AS A GO-BETWEEN. THE CHAIRMAN OF THE TRIBUNAL, IN COMMENT TO THE DEFENSE COUNSEL, SAID "THERE IS NO QUESTION OF A CHARGE BEING FRAMED AGAINST MR. JAYEWARDENE." GETTING PRE-PAID TICKETS FROM ABROAD, ONE WAY OR ANOTHER, IS COMMON PRACTICE IN SRI LANKA AND MAY NOT BE HELD AGAINST J. R. POLITICALLY, ASSUMING NO LEGAL CHARGES CAN BE BROUGHT. THIS CASE IS OF INTEREST AS A PUBLIC DEMONSTRATION OF HOW ONE PROMINENT CIVIL SERVANT TRIED TO HEDGE HIS BETS IN ANTICIPATION OF A UNP GOVERNMENT. END SUMMARY.

2. A LOCAL REPRESENTATIVE OF THE JAPANESE MULTINATIONAL NICHIMAN CORP. TESTIFIED BEFORE THE CRIMINAL JUSTICE COMMISSION TRIBUNAL MAY 5 ON HIS PURCHASE OF PRE-PAID AIRLINE TICKETS FOR
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J. R. JAYEWARDENE, UNP LEADER, AND HIS WIFE. THE JAPANESE WITNESS, SATHOSI IZUMI, HAD AGREED TO COOPERATE IN EXCHANGE FOR THE GOVERNMENT DROPPING ITS CASE AGAINST HIM. MAJOR DEFENDENTS, WHO HAVE NOT YET BEEN CALLED TO TESTIFY, ARE ANURA WEERARATNE, CHAIRMAN, CEYLON CERAMICS CORPORATION, AND IVOR PATERNOTT, REPRESENTATIVE OF SEVERAL JAPANESE COMPANIES.

3. ACCORDING TO IZUMI, WEERARATNE APPROACHED HIM TO PURCHASE TICKETS FOR J. R. FROM MADRIWBALONDON-MADRID AND FOR MRS. JAYEWARDENE FROM COLOMBO-LONDON AND RETURN IN SEPTEMBER 1976.

J. R. ALREADY HAD A TICKET TO MADRID AS A DELEGATE TO AN IPU CONFERENCE HELD THERE IN SEPTEMBER. WEERARATNE REPORTEDLY TOLD IZUMI THAT J. R. WAS LIKELY TO BE THE NEXT PRIME MINISTER, THAT WEERARATNE COULD GET A BETTER JOB, AND THAT NICHIMAN TOO WOULD BENEFIT. IZUMI DID BUY THE TICKETS BUT DENIES THAT HE EVER RECEIVED ANY PAYMENT FROM ANYONE, SAYING THAT HE TRUSTED WEERARATNE TO PAY HIM EVENTUALLY.

4. NO EVIDENCE HAS BEEN PRESENTED THAT J. R. WAS DIRECTLY INVOLVED IN THIS OR AUTHORIZED THE REQUEST. WEERARATNE DID INTRODUCE J. R.'S NEPHEW TO IZUMI, ASKING THAT THE NEPHEW BE CITED AS A SOURCE FOR THE TICKET REQUEST RATHER THAN WEERARATNE. THE POLICE HAVE TAKEN A STATEMENT FROM J. R. IN REGARD TO THE CASE BUT ONLY AS A POTENTIAL WITNESS; THE CHAIRMAN OF THE CJC COMMENTED DURING HEARING THAT "THERE IS NO QUESTION OF A CHARGE BEING FRAMED AGAINST MR. JAYEWARDENE." J. R. HIMSELF HAS BEEN PUBLICLY SILENT ON THE ISSUE EXCEPT FOR A CAUSTIC SUGGESTION THAT THE GOVERNMENT SHOULD INVESTIGATE THE BONA FIDES OF PRE-PAID TICKETS USED BY MINISTERS AND THEIR RELATIVES.

5. COMMENT. THE USE OF PRE-PAID TICKETS TO TRAVEL OUTSIDE THE COUNTRY IS A VERY COMMON PRACTICE HERE. THUS, WHILE THE REVELATION OF THIS ARRANGEMENT IS EMBARRASSING TO J. R., IT IS NOT LIKELY TO BE A SERIOUS ISSUE IN THE CAMPAIGN UNLESS SOME UNCLASSIFIED

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CHARGES CAN BE BROUGHT AGAINST HIM. THIS SEEMS UNLIKELY. THE TESTIMONY IS PARTICULARLY INTERESTING FOR ITS DEMONSTRATION OF HOW A HIGH GOVERNMENT OFFICIAL THOUGHT IT WORTH HIS WHILE TO PERFORM FAVORS FOR THE OPPOSITION LEADER IN ANTICIPATION OF A CHANGE IN GOVERNMENT.
REED

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Control Number: n/a
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
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Enclosure: n/a
Executive Order: N/A
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TAGS: PINT, CE, (JAYEWARDENE, J R)
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